

# DC PURCHASE ORDER TERMS AND CONDITIONS and QR'S

F-8.4-004

<p>THE FOLLOWING <b>GENERAL TERMS AND CONDITIONS (GTC)</b> APPLY TO ALL DINUCCI CORP. "DC" (BUYER) PURCHASE ORDERS (PO) AND CONTRACTS, UNLESS OR TO THE EXTENT ANY WRITING IS SIGNED BY DC AND SUPPLIER (SELLER) UNDER WHICH THE PARTIES EXPRESSLY AGREE OTHERWISE. ALL DC QUALITY REQUIREMENTS (QR) CLAUSES APPLY.</p>		<p>Date Revision: 01-2019 Rev. D</p>
GTC 1	<p><b>RIGHT OF ENTRY:</b> Right of access is granted by Supplier to DC, DC'S customer (who purchases the commodity being supplied by Supplier) and regulatory authorities to the applicable areas of all Supplier's facilities, at any level of supply chain, involved in the order &amp; to all applicable records.</p>	
GTC 2	<p><b>ACCEPTANCE:</b> Supplier shall be deemed to have accepted this PO unconditionally by: i) initiating any process as to supplies being ordered; ii) furnishing any product; iii) acknowledgment by Supplier to DC or iv) the acceptance of payment from DC, constitutes unconditional acceptance of the PO by the Supplier.</p>	
GTC 3	<p><b>DPA'S RATING:</b> This is a rated order certified for National Defense use, and Supplier is required to follow all the provisions of the defense priorities and allocations system regulation (15CFR PART 700) in obtaining controlled materials and other products, services and materials needed to fill this order.</p>	
GTC 4	<p><b>AMENDMENTS:</b> to this order, or DC terms and conditions, shall be made only as set forth in writing via PO change notice and/or written revisions to the purchase order terms and conditions agreed to by DC and Supplier. DC will consider Supplier's request to modifications of, or exception to, only if such request is made in writing, prior to the acceptance of the PO (refer to Acceptance GTC above).</p>	
GTC 5	<p><b>PRICE:</b> as stated on this PO covers all goods and services to be provided by the Supplier as specified in the PO. These prices also cover all charges for packaging, containers, and transportation, unless specifically depicted otherwise on the face of the order.</p>	
GTC 6	<p><b>SHIPMENT:</b> of goods and services under this PO shall be F.O.B. as set forth on the face of the PO. Seller shall follow DC instructions regarding method of shipment, except where DC has so stated on the face of the PO.</p>	
GTC 7	<p><b>SCHEDULE:</b> Supplier will be solely responsible for meeting the delivery schedule set forth on the PO Supplier shall not be held liable for damages for delivery delay caused by courier. However, if the Supplier does not meet the delivery date as depicted on the face of the PO, DC, in its sole discretion, may approve a revised delivery schedule or terminate the order without liability for such termination.</p>	
GTC 8	<p><b>HAZARDOUS MATERIAL:</b> Supplier agrees to furnish the applicable material safety data (MSDS) sheet(s) with each shipment, for products designated by industry, state, or federal agencies as hazardous material.</p>	
GTC 9	<p><b>PACKAGING AND PROTECTION:</b> Product shipped shall be in accordance with the DC PO or best commercial practice to protect product from damage and/or deterioration. Supplier shall be solely responsible for any damage caused during shipping.</p>	
GTC 10	<p><b>CANCELLATION</b> shall remain the right of DC and may be initiated at any time.</p>	
GTC 11	<p><b>TOOLING</b> furnished by DC shall be maintained by Supplier indoors. Supplier is responsible to ensure adequate care is utilized within their facility, to maintain the tooling in good working condition. Any damages to this tooling while in the care of the Supplier shall be reported to the DC's customer in writing. DC shall, in DC's discretion, disposition damaged tooling prior to further processing by the Supplier. Supplier rework of DC furnished tooling shall only be as authorized by DC in writing.</p>	
GTC 12	<p><b>QUALITY ASSURANCE:</b> The Supplier shall comply with the DC Quality System requirements as specified by the DC Supplier Survey or PO. Supplier agrees to implement and maintain the Quality or Inspection System during the performance of this contract. An authorized Certificate of Conformance is required with each shipment. Process suppliers shall furnish a complete Certificate of Conformance with each shipment indicating the PO number, specification number and revision, name of supplier and quantities accepted and rejected. Material suppliers shall furnish chemical/physical test reports with each shipment identifying the applicable specification and revision, actual chemical composition and physical properties, melt, heat, batch, or lot. Additional DC Quality Requirements (DCQR clauses) apply when referenced by PO. The supplier is not authorized to perform Material Review action of nonconforming material. <u>Note:</u> This clause does not apply to contracts for DC non-deliverable goods or services.</p>	
GTC 13	<p><b>NONCONFORMANCES:</b> Upon acceptance of a DC PO by Supplier, Supplier agrees that DC is entitled to reimbursement of DC labor and material costs associated with nonconformances and damages caused by Supplier.</p>	
GTC 14	<p><b>CALIFORNIA LAW:</b> This Agreement shall be governed by California law.</p>	
GTC 15	<p><b>VENUE:</b> Venue for any legal action arising out of or related to any P.O. shall be Contra Costa County, California.</p>	
GTC 16	<p><b>MEDIATION:</b> Before either DC or Supplier initiates any legal action arising out of or related to this PO and/or applicable Terms &amp; Conditions, the parties agree to submit any disputes to Mediation, under which the parties will appoint and share the cost of the services of a Mediator who is an attorney or former judge, experienced in business matters. In the event either party fails or refuses to participate in Mediation and legal action is commenced, and the party who refused or failed to participate in Mediation is the prevailing party, such party shall <u>not</u> be entitled to reimbursement of attorneys' fees and costs (notwithstanding the "Attorneys' Fee Provision" below).</p>	
GTC 17	<p><b>Attorneys' Fee Provision:</b> In any legal action between the parties arising out of or related to this PO, the prevailing party is entitled to reimbursement from the Provision losing party for all of the prevailing party's attorneys' fees and costs incurred in connection with the legal action.</p>	
QR 1	<p>The Supplier shall implement a Quality System in compliance with ISO 9001.</p>	
QR 2	<p>The Supplier shall implement a Quality System in compliance with SAE AS9100.</p>	
QR 3	<p>Supplier and Supplier's subcontractors shall meet and maintain a Calibration System in compliance with Calibration System Requirements of ISO10012 or ANSI Z540-1 or ISO17025.</p>	
QR 4	<p>DC Source Inspection and/ or Customer Verification is required at Supplier facility prior to shipment. DC will place an Inspection Stamp on the Supplier shipper to indicate DC acceptance. Supplier must contact DC at least 48 hours prior to shipment from Supplier facility.</p>	
QR 5	<p>Government Source Inspection is required at Supplier facility prior to shipment. Supplier shall contact DC and applicable Government Representative to arrange for Government acceptance prior to shipment from supplier facility.</p>	
QR 6	<p>Supplier shall perform and document a complete First Article Inspection Report (FAIR) including 100% of B/P or specification requirements. One copy of supplier FAIR will be furnished to DC Inc. along with the first shipment for this PO/contract.</p>	
QR 7	<p>Supplier shall implement and maintain a Key Characteristics (KC) control program acceptable to DC.</p>	
QR 8	<p>Supplier shall provide an Inspection Report (IR) identifying engineering requirements and actuals. Use of Supplier or DC inspection form is acceptable. One copy of the IR shall be furnished to DC representing each manufacturing lot.</p>	
QR 9	<p>Supplier shall perform 100% inspection of the DC noted characteristics, a record of the inspection results shall be provided to DC. Sampling inspection is not allowed.</p>	

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QR 10	Supplier shall comply with the DC Special Quality Requirement noted (As defined by DC QA).	
QR 11	Suppliers must notify and obtain DC's written consent to any changes in product and/or for process, changes of Suppliers, change of manufacturing facility and, where required, obtain organizational approval.	
QR 12	Supplier shall retain records associated with this order for a minimum of 7 years in metal cabinet or electronically. Disposition of records after 7 yrs notify DC .	
QR 13	Supplier shall have a process in place to prevent the use of counterfeit parts, assure persons are aware of their contribution to product or service conformity and product safety and the importance of ethical behavior. Supplier is responsible to flow down same requirement to their supplier.	